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YOR9-2000-0623
Amendment dated 02/19/2004

S/N: 09/725,769

00280658aa

Reply to office action mailed 11/19/2003

REMARKS

Claims 1-32 are currently pending in the application. Claims 15-31 have been withdrawn under traverse in response to a restriction requirement. By this amendment, claims 1, 7, 8 and 32 are amended and claims 33 and 34 are added for the Examiner's consideration. The foregoing separate sheets marked as "Listing of Claims" shows all the claims in the application, with an indication of the current status of each.

The Examiner has made final the restriction requirement, noting that no arguments supporting the traversal were made. However, the traversal was accompanied by additional claim 32, presented as a generic claim tying together the restricted groups. The Examiner has rejected claim 32 as anticipated by Kansal, but has not challenged the applicant's contention that claim 32 is generic. Therefore, it is submitted that if generic claim 32 is ultimately allowed then the restricted and withdrawn claims 15-31 may be rejoined to this application and allowed. It will be observed that new claims 33 and 34, which depend from claim 32, demonstrate that claim 32 is generic to claims 15, 30 and 31.

The Examiner has objected to an apparent syntax error in claim 12, namely, the phrase "said insurer is unable to desired information," which should have read "said insurer is unable to obtain or assess desired information." Claim 12 has been amended accordingly.

The Examiner has rejected claims 1-14 and 32 under 35 U.S.C. §101 as being directed to non-statutory subject matter. In particular, the Examiner asserts that claim 1 fails to include "any form of technology" in the claim limitations. However, the technology for the invention described in claim 1 is described in detail with reference to Figure 3, in which those skilled in the art would understand the symbols as referring to a computer assisted implementation. In particular, the items 312, 314, 316 and 318 refer to information stored in databases and retrieved at item 310.

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Further, as is customary in the technology, a flow chart of the method integrates human decisions to be made with the assistance of information presented by computer. The claims have been amended to clarify the role of technology in the claimed method.

The Examiner has rejected claims 1-14 and 32 under 35 U.S.C. §102(a) as being anticipated by U.S. Publication No. US 2002/0055900 A1 to Kansal. Kansal describes a "system and method of assessing and rating vendor risk and pricing of technology delivery insurance" (emphasis supplied). In particular, Kansal is directed to the application of reverse auction procedures to software development contracts. The method of Kansal involves commoditization of technology service contracts, using a particular formula and business model that includes the intrinsic and two-way rating process of the Kansal invention. Complex contracts are partitioned into various independent modules/phases for the purpose of comparing bids. The understanding of the risk inherent in various components of the contract will allow the insurance company/guarantor to underwrite technology risk (emphasis supplied; para 0005-00006).

It is to be noted that the Kansal reference was filed subsequent to the filing date of the present invention. Kansal claims priority from two provisional applications. While one of the provisionals (60/227,513; "Kansal-P1") has a priority date prior to the filing date of the present application, the other provisional (60/290,069; "Kansal-P2") does not. Consequently, Kansal is prior art only with respect to the disclosure contained in Kansal-P1. This is significant because Kansal-P1 fails to disclose the insurance concept contained in Kansal and highlighted in the above paragraph.

Indeed, upon review of Kansal-P1 – which is the only one of the Kansal references that is prior to the filing date of the present invention – it appears that this reference adjusts vendor proposed charges submitted in RFPs, but does not address economic damages at all. It should be noted that Kansal-P1 discloses a methodology

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particularly suited to software development contracts which can be disaggregated into "function points" as inputs to a reverse auction bidding platform (page 4, step 2: "Partition Contract"). The price adjustment for a particular vendor depends upon "the conditional variance of each vendor bid over the set of vendor bids for the given module, normalized by the vendor's average cost per day" (page 5, step 5: "Adjust Bids", para 1: "Price Adjustment"). Clearly, this contemplates an estimate of the "risk" that the particular vendor will in fact require more than the estimated cost to complete the project. The "risk" defined here is measured by comparison among the various bids, with the formula being such that "Vendors with high nominal bids incur a low Price Adjustment whereas Vendors with low nominal bids incur high Price Adjustments" (page 6, the paragraph above "2. Time Adjustment"). Kansal-P1 also provides a second adjustment related to timely delivery of the module (i.e. the module disaggregated in the partitioning of the entire project). The formula for this calculation uses a critical path analysis, and includes a "conditional variance" element that is measured by comparison with other vendors (page 7, "Conditional Variance").

Thus Kansal-P1 is about attempting to compare multiple vendors. By contrast, the present invention is about augmenting what the buyer contracts for, so that they contract for a pair of things: products/services from the vendor, and a paired insurance coverage from an insurer. More importantly, Kansal-P1 does not describe or suggest anything about insurance or insurers or guarantors. Nor is there a need for such concepts in Kansal-P1. The point of the method described in Kansal-P1 is simply to compare vendors, making an adjustment in price that is dependent upon a comparison ("Conditional Variance") with other vendors. There is no reason to suppose that this price adjustment would be acceptable to an insurer as a premium for agreeing to reimburse the buyer for a cost-overrun, and certainly not any damages suffered by the buyer for failure of delivery. The concept of insurance, upon which the Examiner relies (see Kansal, para 0012), is new matter added later and is not part of the prior art of Kansal-P1. Therefore, Kansal is overcome

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as a reference with regard to claims 1 and 32, which include an insurance element. This also applies to claims 2-14, which depend from claim 1.

In addition, Kansal's first provisional ("Kansal-P1") assumes that each vendor, if chosen, is going to fulfill the contract independently. The present invention (as made explicit in claim 10) covers the insurance company taking into account supply-chain dependencies for subcontractors of the proposed seller.

The Examiner also asserts that two further references, U.S. Publication No. US 2002/0087389 A1 to Sklarz et al. and U.S. Patent No. 6,438,539 to Korelev et al. substantially disclose the invention as claimed. Sklarz discloses an approach to providing an effective value for real estate, which must take into account factors having to do with other properties (on the market, recently sold) and so on. The present invention provides an adjusted price (production cost plus insurance premium) which takes into account issues such as production capacity at a vendor who fulfills multiple orders from multiple costs, a factor that makes no sense in real estate, where there will be one owner at a time. Sklarz and the present invention compare, respectively, one property against a previously sold property, and one supplier against a supplier with whom there have been previous transactions. But the algorithm for determining the insurance premium in accordance with the present invention contains information about the intended use and importance to the buyer of the product/service bought, as well as supply-chain dependability to the seller, factors not present in Sklarz.

Korolev is not relevant. It concerns a "Method for Retrieving Data from an Information Network through Linking Search Criteria to Search Strategy." The method in Korolev includes a step for evaluating hits in view of search criteria, and implementation of the present invention may also include retrieving data from databases linked by a network. But Korolev has nothing to do with calculating an insurance premium or otherwise providing insurance coverage to a buyer against failure of performance by a seller.

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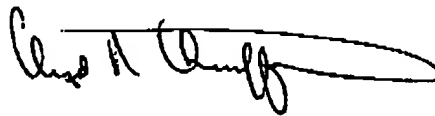
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In view of the foregoing, it is requested that the application be reconsidered, that claims 1-14 and 32-34 be allowed, that withdrawn claims 15-31 be restored to the prosecution and allowed, and that the application be passed to issue.

Should the Examiner find the application to be other than in condition for allowance, the Examiner is requested to contact the undersigned at 703-787-9400 (fax: 703-787-7557; email: clyde@wcc-ip.com) to discuss any other changes deemed necessary in a telephonic or personal interview.

If an extension of time is required for this response to be considered as being timely filed, a conditional petition is hereby made for such extension of time. Please charge any deficiencies in fees and credit any overpayment of fees to Deposit Account 50-0510 (IBM-Yorktown).

Respectfully submitted,



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